GOVERNMENT OF INDIA
DISINVESTMENT
LOK SABHA

UNSTARRED QUESTION NO:5962
ANSWERED ON:31.08.2001
MODERN FOODS EMPLOYEES COMPLAIN OF PRESSURE TO ACCEPT VRS
SULTAN SALAHUDDIN OWAISI;VIJAY GOEL;VSM (RETD.) COL. CHOUDHARY

Will the Minister of DISINVESTMENT be pleased to state:

(a) whether the attention of the Government has been drawn to the news-item captioned `Modern Food staff complain of pressure to accept VRS` appearing in the `Times of India` dated July 20, 2001;

(b) if so, the facts of the matter reported therein;

(c) whether the Government had given an assurance to the workers of Modern Foods Industries Limited before disinvestment that their interests would be protected; and

(d) if so, the action Government propose to protect the interests of the employees as promised?

Answer

MINISTER OF STATE (INDEPENDENT CHARGE) OF THE DEPARTMENT OF DISINVESTMENT, MINISTER OF STATE MINISTRIES OF PLANNING, STATISTICS & PROGRAMME IMPLEMENTATION AND MINISTER OF STATE IN THE DEPARTMENT OF ADMINISTRATIVE REFORMS AND PUBLIC GRIEVANCES (SHRI ARUN SHOURIE)

(a) Yes, Sir.

(b) As per information available, on receipt of requests from the workmen and representatives of workmen of Modern Food Industries (India) Limited (MFIL) for introduction of a Voluntary Retirement Scheme (VRS), the management of MFIL held discussions with the two Federations representing the workmen of MFIL and after signing of a Memorandum of Understanding (MOU) with the Federations on 16.06.2001 introduced a VRS applicable to the workmen of all the factories of MFIL. The office bearer of the minority union of MFIL`s Delhi Bread Unit-I, who is under suspension for assaulting a co-workman, accused the management of having forced the workers to accept VRS. Thereafter, themanagement at the Unit notified and communicated that those who had felt pressurised to accept VRS could rejoin their duties after refunding the amount of retirement benefits taken by them. No candidate came forward unconditionally to rejoin duties. The Unit received requests from only 9 workmen stating that they would like to rejoin duties provided the management gave an assurance that they would not be transferred to any other Unit. Since transferability is one of the conditions of service in MFIL, which existed even when MFIL was a Public Sector Undertaking (PSU), the management could not give such an assurance.

(c) & (d) Yes, Sir. The Government as well as the new management of MFIL has fulfilled the promise regarding protection of interest of the employees. There had been no retrenchment after the transfer of management control following disinvestment. The wages/pay of the workers/employees have been upwardly revised, which would not have been possible had MFIL remained a PSU. Introduction of the VRS in June 2001,which is much more generous than the VRS applicable to PSUs in general, would also not have been possible had MFIL remained a PSU.